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Proposed programme budget for the biennium 2014-2015

Consultations on consolidating the secretariat of the United Nations System Chief Executives Board for Coordination at United Nations Headquarters in New York

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the consultations on consolidating the secretariat of the United Nations System Chief Executives Board for Coordination (CEB) at United Nations Headquarters in New York (A/68/214). During its consideration of the report, the Committee met representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 24 September 2013.

Background

2. In paragraph 111 of its resolution 66/246, the General Assembly requested the Secretary-General, in his capacity as the Chair of CEB, to consult all the participating organizations on consolidating the secretariat of CEB at United Nations Headquarters in New York and to report thereon to the Assembly at its sixty-seventh session. The Secretary-General indicated that, owing to the extensive consultations conducted, the report could not be submitted at that session (see A/68/214, para. 3).

Analysis of consolidation of the secretariat

3. In the report, it is stated that the New York branch of the CEB secretariat is responsible for supporting CEB in its overall programme of work, providing support to the High-level Committee on Programmes and liaising with United Nations intergovernmental bodies on both programme and management matters (A/68/214, para. 9). It is stated in the report that the Geneva branch of the CEB secretariat is responsible for supporting the High-level Committee on Management and its networks, in addition to maintaining human resources and financial data and statistics on behalf of the United Nations system (ibid., para. 10). It is noted in the

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report that 19 of the 29 CEB member organizations are located in Europe (9 in Geneva) (ibid., para. 11).

4. Upon enquiry, the Advisory Committee was informed that CEB was established following a review in 2000 of its predecessor body, the Administrative Committee on Coordination, and its subsidiary machinery. The secretariats of the Consultative Committee on Administrative Questions (Personnel and General Administrative Questions), the Consultative Committee on Administrative Questions (Financial and Budgetary Questions), the Consultative Committee on Programme and Operational Questions and the Information Systems Coordination Committee were located in Geneva. At the time, there was a secretariat for each standing body. Following the review in 2000, the Administrative Committee on Coordination was transformed into CEB and its functions were streamlined under a two-pillar structure (the High-level Committee on Programmes and the High-level Committee on Management), with the High-level Committee on Programmes also assuming many of the functions of the Organization Committee of the Administrative Committee on Coordination. A single secretariat was established with a dual structure (New York and Geneva) to ensure coherence of support and action, to be jointly financed within the overall resources allocated to the then separate secretariats. The rationale behind the two locations of the new structure was that it mirrored the continuing practice, which worked well, with support to the management-related bodies from Geneva and support to the senior coordination mechanism and the High-level Committee on Programmes from New York.

5. The Secretary-General indicates in his report that both branches of the CEB secretariat work closely together to: (a) develop and manage an interactive information network to facilitate dialogue among CEB member organizations on enhancing the effectiveness of the system; and (b) provide Member States and the general public with information on activities of system-wide relevance (A/68/214, para. 12). The Secretary-General also indicates that CEB member organizations noted that the dual-location arrangement allowed for the continuity of working hours, resulting in the constant availability of support for members (see ibid., para. 13).

6. It is stated in the report that an analysis was carried out of the functioning and the working modalities of the CEB secretariat, in addition to an evaluation for all member organizations of the benefits of the current arrangements and the operational and financial impact of possible consolidation in New York (A/68/214, para. 14). According to the Secretary-General, the review confirmed that the High-level Committee on Programmes and the High-level Committee on Management had specific mandates and responsibilities and operated in different functional areas that did not largely overlap but mutually reinforced and complemented each other. It is also stated that the relocation of the secretariat of the High-level Committee on Management would negatively affect the almost daily inter-agency working interactions between that secretariat and the secretariats of the CEB member organizations in the form of expert working group meetings held in Geneva. It is further stated that the analysis showed that no economies of scale for the CEB secretariat could be expected from consolidation and that the relocation of the secretariat of the High-level Committee on Management to New York would result in additional direct costs for the Europe-based member organizations with regard to travel, communications and related costs (see ibid., para. 15).

7. Upon enquiry as to the indicators of effectiveness used in the analysis, the Advisory Committee was informed that the indicators were ownership, balanced representation, hosting of meetings, project management and linkages with other bodies. Ownership was described as the biggest asset of CEB. It was said that the dual locations increased the sense of ownership of the CEB secretariat by the entire United Nations system. It was stated that, given that the majority of the CEB member organizations were in Europe, where there was also a larger staff presence, the dual locations ensured balanced representation of the organizations and staff. The Committee was also informed that the cost-shared budget of the CEB secretariat did not include resources for logistical costs relating to meetings. Accordingly, all meetings of the High-level Committee on Management were hosted by CEB member organizations, which required frequent personal contacts to nurture the willingness of member organizations to assume that role, and which minimized travel costs while improving the ability to coordinate and oversee meetings in Europe. With regard to project management, it was indicated that the CEB secretariat office in Geneva managed a number of inter-agency projects, most of which were led by Europe-based organizations. The location in Geneva also facilitated frequent interaction with interlocutors on operational functions, including coordination with organizations based in New York. As to linkages with other bodies, the Committee was informed that Geneva was the headquarters of at least four major international organizations (the GAVI Alliance; the Global Fund to Fight AIDS, Tuberculosis and Malaria; the European Organization for Nuclear Research; and the International Federation of Red Cross and Red Crescent Societies) and the CEB secretariat in Geneva regularly engaged with their representatives. Furthermore, the meetings of the joint working groups of the secretariat of the International Civil Service Commission and the CEB Human Resources Network were mostly held in Europe.

8. The estimated costs of consolidation are highlighted in the report as follows:

(a) One-time costs of $300,900 (based on 2013 prices) arising from the relocation of Professional staff of the secretariat of the High-level Committee on Management to New York and the setting up of additional office space at Headquarters. Based on the programme budget share of the jointly financed CEB secretariat proposed budget, this amounts to $82,400 in the year of relocation;

(b) One-time costs could arise from an agreed termination of General Service (Other level) staff members in Geneva;

(c) Recurrent costs of $300,400 (based on 2013 prices) arising from an annual reduction owing to the lower staff salary rates at Headquarters in New York compared with Geneva, partially offset by the higher non-post-related requirements in New York of $49,200 per year, giving rise to an estimated net annual reduction of $251,200 ($502,400 for the biennium). Based on the programme budget share of the jointly financed CEB secretariat proposed budget, this amounts to an estimated net reduction of $68,800 per annum, or $137,700 for the biennium (see A/68/214, para. 16, and the related table).

9. Upon enquiry, the Advisory Committee was informed that the United Nations Office at Geneva housed a number of United Nations-related entities within the Palais des Nations complex that were fully or partially funded by extrabudgetary sources and that paid rent. Nine entities, including the CEB secretariat, had arrangements in place granting an exemption from paying rent. With regard to the

proposed programme budget, rental costs under section 29F, Administration, Geneva, included a provision for rental and maintenance of premises, proposed in the amount of $20,526,200 for the biennium 2014-2015, in order to meet the cost of staff funded by the regular budget. **The Advisory Committee considers that the programme budget may benefit from a review of the current rental arrangements, including an assessment of whether to reflect these costs in individual fascicles, with a view to ensuring increased transparency and accuracy in the budgetary process.**

10. In his report, the Secretary-General states that it is the unanimous view of the executive heads of the member organizations that consolidation would not result in any substantial financial benefits for CEB member organizations, or managerial benefits for its secretariat, and would risk weakening the coordination of the management policies and practices within the United Nations system (A/68/214, para. 17).

11. **The Advisory Committee considers that the analysis conducted of the possibility of consolidating the CEB secretariat should have examined in greater depth the respective costs of the current arrangement in contrast to those of a consolidated secretariat. The Committee notes in particular that the analysis is based on direct costs and does not take into account indirect costs, which should have been factored into the analysis. Furthermore, the estimated costs in paragraph 8 (c) above are based on current post-adjustment multipliers, which are likely to change from year to year. The Committee is therefore of the view that this matter should be kept under review.**

12. **The Advisory Committee notes, however, that the current structure of the CEB secretariat takes into account a balanced representation of the locations of CEB member organizations. The Committee also notes that the structure reflects the historical locations of the predecessor of CEB, the Administrative Committee on Coordination, and its subsidiary bodies. For these reasons, the Committee considers the current structure of the CEB secretariat to be an effective arrangement and recommends that the dual-location arrangement be maintained at this stage.**